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SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1927.

No. 456

FEDERAL INTERMEDIATE CREDIT BANK OF COLUMBIA, SOUTH CAROLINA, PETITIONER,

vs.

CHARLES S. MITCHELL, RESPONDENT.

BRIEF FOR THE RESPONDENT, CHARLES S. MITCHELL.

POINTS AND AUTHORITIES OF WILLIAM J. THOMAS AND BUIST & BUIST, ATTORNEYS FOR CHARLES S. MITCHELL, RESPONDENT.

Statement.

This matter comes up on writ of certiorari to the United States Circuit Court of Appeals, Fourth Circuit, to which this case had been brought by writ of

error to the United States District Court for the Eastern District of South Carolina. The district court dismissed the case for want of jurisdiction, on motion of the respondent, Charles S. Mitchell. The circuit court of appeals affirmed the district court by a divided court.

The only question before this Court is whether the district court had jurisdiction of this case on the ground of the existence of a Federal question. The right to invoke the Federal jurisdiction by reason of the existence of a Federal question is claimed by the petitioner on the ground that it is incorporated under an act of Congress.

The position of the respondent is that the jurisdiction of the Federal court is specifically excluded by the terms of the act under which the petitioner was created, and that no other act of Congress has nullified the expressed intention of the creating act.

The defendants below, W. E. Richardson, Truckers Supply Company, and South Carolina Agricultural Credit Company, failed to file answers, or otherwise appear, and are in default.

The decision in this case rendered in the circuit court of appeals is to be found in 21 F. (2d), 51.

ARGUMENT.

Point I.

The right to invoke Federal jurisdiction on the ground of Federal origin is subject to statutory limitation.

It was at an early date decided that actions by or against corporations created under authority of an act

of Congress were actions arising under the laws of the United States, and on the sole ground of their Federal origin such corporations can invoke Federal jurisdiction.

Osborne v. Bank of the United States, 9 Wheat., 738, 823.

Leather Manufacturers Bank v. Cooper, 120 U. S., 778, 781.

Pacific Railroad Removal cases, 115 U. S., page 1.

Texas, etc., Railroad Co. v. Cody, 166 U. S., 606.

Bankers Trust Co. v. Texas, etc., Ry., 241 U. S., 295.

American Bank, etc., Co. v. Federal Reserve Bank, 256 U. S., 350.

Sowell v. Federal Reserve Bank, 268 U. S., 449.

Simpkins Federal Practice 401.

25 *C. J.,* 735.

While the right to invoke Federal jurisdiction on the ground of Federal origin is a settled principle of our jurisprudence, it is one that has been gradually narrowed by legislative enactment.

In 1882 the general rule was abrogated as to National Banks. (Act of July 12, 1882; 22 Stat., 162, 163.)

In 1915 it was abrogated as to railroad corporations. (Act of January 28, 1915; 38 Stat., 804.)

In 1925 it was abrogated as to all corporations, except that the abrogating statute was limited so as not to apply to corporations in which the United States owns more than one-half of the capital stock. (Act of Feb. 13, 1925; 43 Stat., 941.)

The statute denying Federal jurisdiction on the ground of Federal origin to National Banks has undergone several changes of wording.

National Banks were first deprived of their right to invoke the jurisdiction of Federal courts on the ground of their Federal origin by the Act of July 12, 1882, which provided:

> "That the jurisdiction for suits hereafter brought by or against any association established under any laws providing for National Banking associations, except suits between them and the United States, or its officers and agents, shall be the same as, and not other than, the jurisdiction for suits by or against banks not organized under any law of the United States, which do or might do banking business where such National Banking associations may be doing business when such suits may be begun; and all laws, parts of laws of the United States inconsistent with this proviso be and the same are hereby repealed." (22 Stat., 163, and U. S. Comp. Stats., Section 9668.)
>
> *Leather Manufacturers Bank v. Cooper*, 120 U. S., 778.
>
> *Whittemore v. Amoskeag National Bank*, 134 U. S., 527.

The Act of August 13, 1888, provided:

> "That all National Banking associations established under the laws of the United States shall, for the purposes of all actions by or against them, real, personal or mixed, and all suits in equity, *be deemed citizens of the States in which they are respectively located;* and in

> such cases the circuit and district courts shall not have jurisdiction other than such as they would have in cases between individual citizens of the same State. The provisions of this section shall not be held to affect the jurisdiction of the courts of the United States in cases commenced by the United States, or by the direction of any officer thereof, or cases for winding up the affairs of any such bank" (25 Stat., 436). (Italics ours.)

This statute apparently originated the expression that is under consideration in the case at bar. In *Ex parte Jones*, 164 U. S., 691, it was held that the effect of this statute was to deprive National Banks of the right to invoke Federal jurisdiction on the ground of Federal origin.

When the revision of the Judicial Code was effected by Act of March 3, 1911, the portion of the Act of 1888 above quoted was in part incorporated as subdivision 16, section 24, with the jurisdictional provision appearing in the following words:

> "And all National Banking associations established under the laws of the United States shall, for the purposes of all other actions by or against them, real, personal or mixed, and all suits in equity, *be deemed citizens of the States in which they are respectively located.*" (Italics ours.)

A construction was placed upon the foregoing section of the Act of 1911, by this Court in the case of *Herrmann v. Edwards*, 238 U. S., 107, and in that case the court considered whether or not the fact that sub-

division 16 of section 24 of the Act of 1911 omitted the amplifying phraseology of the Act of 1888, operated to restore to National Banks the right to invoke Federal jurisdiction because of their origin. The court held that by such omission the right was not restored to National Banks to invoke, on the grounds of their Federal origin, the jurisdiction of the Federal Courts.

The case of *Herrmann v. Edwards, supra,* was decided in 1915. Therefore, when in 1923, Congress came to consideration of creation of the Federal Intermediate Credit Banks, it was settled law that the words "be deemed citizens of the States in which located" were, by judicial construction, appropriate words to limit the power of Federal corporations to invoke jurisdiction of the Federal Courts solely on the ground of Federal origin.

> *Copper Queen, etc., Co. v. Arizona, etc.,* 206 U. S., 474.

Point II.

The act creating Federal Intermediate Credit Banks embraced a statutory limitation on their right to invoke Federal jurisdiction.

In 1923, Congress passed the act providing for the establishment of Intermediate Credit Banks (Act of March 24, 1923; 42 Stat., 1454; U. S. C. Title 12, Section 1023), and by a section of that act on the question of jurisdiction, it provided:

> "Each Federal Intermediate Credit Bank shall have all the usual powers of corporations,

> and shall have power to sue and be sued both in law and equity, and *for purposes of jurisdiction shall be deemed a citizen of the State where it is located.*" (Italics ours.)

Having adopted almost identically the same language with reference to jurisdiction of actions by or against Intermediate Credit Banks that had previously been enacted with reference to National Banks, and that had been judicially construed to deprive National Banks of the right to invoke Federal jurisdiction because of their Federal origin, it must have been the expectation and intention of Congress at the time of the passage of the Intermediate Credit Bank provisions that this wording would likewise deprive Intermediate Credit Banks of the right to invoke Federal jurisdiction solely on the ground of their Federal origin.

Therefore, the conclusion seems incontrovertible that Congress by importing into the Intermediate Credit Bank Act a phrase, taken bodily from the National Bank jurisdictional provision of the Judicial Code, intended to accomplish in the later act the same result that had been accomplished in the earlier act by that phrase, to wit, an avoidance of Federal jurisdiction based on Federal origin. If this were not the purpose of Congress it is difficult to conceive what was its purpose in appropriating this wording from the National Bank provision.

The Learned Circuit Judge, who dissented in the court below, apparently reached the conclusion that the Act of 1923 by its terms negatived the right of Federal Intermediate Credit Banks to invoke Federal

jurisdiction; because, unless he had reached this conclusion, it would have been unnecessary for him to base his findings of law upon an interpretation of the Act of 1925. Therefore, even under the doctrine of the dissenting opinion below, there was no Federal jurisdiction of these corporations between March 24, 1923, and February 13, 1925.

It would be a juridical anomaly to construe an identical phrase as having one meaning in one statute relating to one class of banks, and a different meaning in aother statute relating to another class of banks.

Point III.

The limitation originally imposed upon the right of Federal Intermediate Credit Banks to invoke Federal jurisdiction has not been revoked, either expressly or impliedly, by any subsequent legislation.

Assuming that it was the expressed intention of Congress when passing the Intermediate Credit Bank Act to deny the right to such corporations to invoke Federal jurisdiction because of Federal origin, it remains to consider whether such right has been granted by any subsequent enactment.

The dissenting opinion in the circuit court of appeals finds such grant to have been accomplished by the Act of February 13, 1925; 43 Stat., 941; U. S. C., Title 28, Section 42.

By that act it is provided that

> "No district court shall have jurisdiction of any action or suit by or against any corporation upon the ground that it was incorporated by or

> under an Act of Congress, provided that this section shall not apply to any suit, action or proceeding brought by or against a corporation incorporated by or under an Act of Congress wherein the Government of the United States is the owner of more than one-half of its capital stock."

Only by repealing the provision made by the act creating them could the Act of 1925 operate to grant to the Intermediate Credit Banks the right to invoke Federal jurisdiction because of their Federal origin. Such a construction of the Act of 1925 would be in conflict with the general rules of statutory construction:

> "But the repeal of statutes by implication is not favored by the courts. The presumption is always against the intention to repeal where express terms are not used. To justify the presumption of an intention to repeal one statute by another, either the two statutes must be irreconcilable or the intent to effect a repeal must be otherwise clearly expressed. It follows that where the intention not to repeal is apparent or manifest from an act there is no room for repeal by implication or the application of rules regarding implied repeal." 36 Cyc., 1071 *et seq.*
>
> "Where two legislative acts are repugnant to or in conflict with each other the one last passed, being the latest expression of the Legislative will, must govern, although it contains no repealing clause. But it is not sufficient to establish such repeal that the subsequent law covers some or even all of the cases provided for by the prior statute since it may be merely

affirmative or cumulative or auxiliary. Between the two acts there must be plain, unavoidable and irreconcilable repugnancy and even then the old law is repealed by implication only *pro tanto* to the extent of the repugnancy. If both acts can by any reasonable construction be construed together both will be sustained." 36 Cyc., 1073 *et seq.*

The rule against repeal by implication, while always strong, is particularly strong where the earlier statute is of special import and the later statute is of general application.

Washington v. Miller, 235 U. S., 422; 35 Sup. Ct., 119; 59 L. Ed., 295.

United States v. Healy, 160 U. S., 136, 146; 16 Sup. Ct., 247; 40 L. Ed., 369.

United States v. Greathouse, 166 U. S., 601, 605; 17 Sup. Ct., 701; 41 L. Ed., 1130.

Rodgers v. United States, 185 U. S., 83, 87.

Petri v. F. E. Creelman Lumber Co., 199 U. S., 487, 497; 26 Sup. Ct., 133; 50 L. Ed., 281.

There is nothing inconsistent or contradictory or repugnant in the Act of 1923, and the Act of 1925 under consideration. The two acts could consistently be embodied in one and the same statute. Congress could logically say (in fact, has said, as the respondent contends) as follows:

> "We now annul this theory of Federal jurisdiction based solely on Federal incorporation, except that in the case of corporations of which the Government owns more than one-half the stock this annulment shall not apply and we

> shall either let the old rule remain in effect as to them or we shall make some specific provision as to jurisdiction in the statute creating each class of such corporations. Here is a class of such corporations, Intermediate Credit Banks, about which we should now determine and we hereby determine that such corporations shall not have the right to invoke Federal jurisdiction on the ground of their Federal origin, they shall take the same status as National Banks."

The petitioner seeks to sustain the jurisdiction of this Court on the *wording of the proviso* of Section 12 of the Act of 1925, *supra*. The attention of the court is directed to the fact that Section 12 is a *limitation* upon jurisdiction and not a *grant* of jurisdiction; the proviso is merely an exception to the limitation accomplished by that specific section of the code. The proviso does not become a grant of jurisdiction by restricting the operation of the limitation created by the section. A proviso to the particular limitation created by that section does not become *ipso facto* a proviso restricting all other limitations that Congress might see fit to enact.

Moreover, the wording of the proviso is clearly indicative of its intent. It reads: "Provided that this section **shall not apply** to, etc." In other words, by the very wording of the proviso, *the section does not apply to a class of corporations that embraces the plaintiff in error.* It was clearly the intention of Congress to leave the question of jurisdiction over that class of corporations either to the general law on the subject or to such specific provision as might be made by the

statute creating the corporation. The petitioner is seeking to sustain the jurisdiction on the ground that it is granted by a section of the code that states in unmistakable language that the section *does not apply* to suits by or against corporations such as the petitioner. By virtue of a section that expressly *does not apply* to the petitioner, it seeks to nullify the effect of express language in the statute creating it.

A similar situation was recently considered by this Court in the case of the *United States v. McElvain*, 47 S. Ct., 219. While the situation in that case was not exactly similar to the situation here, yet the logic of the decision is applicable to the case at bar. Here, as there, the proviso can be given no broader scope than the preceding part of the section; a section that in its body is a *limitation* should not be broadened into a *grant* of jurisdiction by a proviso, unless that construction is inescapable.

The structure of the Act of 1925 is a strong argument against its intent to repeal by implication the Act of 1923 or to supersede that act by consolidation. The Act of 1925, by Section 13, carefully enumerates a number of existing laws that it intends to repeal; the enumeration embraces nineteen named sections of the Judicial Code; also all or parts of fourteen named statutes; these specific repeal provisions being followed by a general repeal provision. Among the statutes repealed is the Act of January 28, 1915, abrogating the right to invoke Federal jurisdiction by Federally incorporated railroads. It is to be assumed that the committees of Congress who were responsible for the

drafting of the Act of 1925 embraced the same, or many of the same, individuals who were responsible for the drafting of the Act of 1923, and who must have been thoroughly familiar with the existence of the latter statute. It is most improbable that, in the careful enumeration in the Act of 1925 of statutes thereby repealed, there would have been an omission of the comparatively recent Act of 1923, if it had been the intention of Congress to repeal the latter. The very exhaustiveness and particularity of the repeal provisions of the Act of 1925 are indicative of the intention of Congress not to leave the matter of repeal to implication. The history of the committee hearings as set forth in the majority opinion in the circuit court of appeals confirms this idea.

Point IV.

The logic of the argument in support of Federal jurisdiction is fallacious.

Throughout this controversy the several positions that have been assumed by the petitioner are in brief as follows:

a. That the words "shall be deemed a citizen of the State where it is located" apply only to jurisdiction based upon diverse citizenship, and not to jurisdiction based upon the existence of a Federal question.

b. That if the foregoing be not true, then the word "jurisdiction" in the Act of 1923 should be construed as "venue".

c. That if neither of the foregoing propositions be true, then the Act of 1923 was impliedly repealed by the Act of 1925.

d. That if the foregoing be not true, then the Act of 1925 superseded or constituted a consolidation of all previous acts on the same subject.

e. That it is the wise policy to construe the Federal jurisdiction as existing, because the Government is financially interested in these corporations.

To reply to the last argument first, it is sufficient to say that it should be addressed to Congress and not to this Court.

But even if the wisdom of congressional action were open to consideration by this Court, it does not appear to be such a foolish policy for Congress to say to these banks, "You must so conduct yourselves, and so live with your neighbors, and so merit their esteem that in litigation they will give you justice in their local courts in the same manner in which National Banks find that justice." It is not inconsistent with the idea of "farm relief" that underlies the creation of these banks for Congress to give the farmers the right to conduct their litigation with these banks in their local State courts in their rural communities, without being subjected to the expense and inconvenience of going to the Federal courts in the oftentimes distant city. Every reason that applies to Intermediate Credit Banks applies with equal force to National Banks. The learned judge who dissented in the circuit court was apparently impressed with the near-

ness of these banks to the Federal Treasury, when he says "it involves the right of the Federal Government to maintain a suit in its own courts to enforce a liability in its behalf arising in a corporation chartered and owned by it," and when he says "to place billions of the public money in the hands of banking institutions." There are twelve Intermediate Credit Banks authorized (42 Stat., 1454), each having a capital of five million dollars (42 Stat., 1457), or a total amount of sixty million dollars throughout the entire United States. That falls somewhat short of "billions of the public money." Moreover, it is to be remembered that these corporations have limited liability and are incorporated for the specific purpose of engaging in commercial transactions. The fact that the United States owns a majority or all of the stock of a corporation does not constitute that corporation a branch of the Government, nor is a suit by such a corporation "maintained by the Federal Government," nor is the corporation thereby vested with the prerogatives, immunities, and attributes of sovereignty. *Sloan, etc., v. U. S. Shipping Board*, 258 U. S., 549; 42 S. Ct., 386; *United States v. McCarl*, 48 S. Ct., 12. A contrary doctrine might prove highly embarrassing, particularly if extended, as logically it must be, to commercial corporations in which a foreign government is the stockholder.

The arguments of the petitioner addressed to statutory construction are fallacious, in that each and all of them disregard the plain meaning of the words of the two statutes involved, thereby violating the first rule of statutory construction.

As to the suggestion that the wording in question is intended to apply to jurisdiction based on diverse citizenship but not to jurisdiction based on existence of a Federal question, the first answer is that the words were not so used in the statute from which Congress lifted them bodily into the Act of 1923. But a more complete answer is this: If Congress intended to leave to the banks the right to invoke Federal jurisdiction on the ground of existence of a Federal question, why should it bother to make any provision as to the invocation of that right on the ground of diverse citizenship; only one ground of entry into the Federal court is needed by a litigant; if he can get in on the ground of a Federal question, it is immaterial whether he can get in on the ground of diverse citizenship.

As to the suggestion that the word "jurisdiction" as used in the Act of 1923 should be construed in the sense of *venue*, it would seem sufficient answer to this argument to use the words of the opinion below "we must assume that Congress did not mean *venue* when it said jurisdiction." The context is not such as to require this change in meaning to coordinate this word with other parts of the act or for any other purpose. Moreover, the words used in conjunction with the word "jurisdiction," to wit, the words: "shall be deemed a citizen of the State where it is located" are words used in the Judicial Code as defining jurisdiction, and are words construed in the case of *Herrmann v. Edwards, supra*, as applying to jurisdictional limitation. Neither in the Judicial Code nor in the construction of the Code in *Herrmann v. Edwards* is there any suggestion that those words are used as applying to *venue*.

As to the suggestion that the Act of 1925 operates as a repeal, or supersedes the Act of 1923, enough has been said under Point III and does not need repetition here.

To sustain the one position of the petitioner, it is necessary that this Court shall rewrite a word in the Act of 1923, or shall construe a phrase to have a meaning different from the meaning that had judicially been conferred upon it at the time that Congress used that phrase in the act under consideration.

To sustain the other position of the petitioner, it is necessary that this Court construe a special statute as repealed by implication by a statute of general import, or as superseded by a statute that is concurrently consistent; and that it find in a proviso to a limitation upon jurisdiction, a grant of jurisdiction not theretofore existing; and that it construe as applying to this corporation a proviso that by its clear terms states that it shall not apply.

Point V.

The presumption is against the jurisdiction of the Federal court.

It has been repeatedly held that a litigant seeking to sustain the jurisdiction of the Federal court must clearly show that the jurisdiction exists and the presumption is against the jurisdiction.

Robertson v. Cease, 97 U. S., 646.
King Bridge Co. v. Otoe County, 120 U. S., 225.
Thomas v. Board of Trustees, 195 U. S., 207.

While this respondent contends that the specific intention of Congress to deny the jurisdiction in this case is clearly shown, yet even if the question were in doubt he respectfully suggests that under the foregoing cases it would become the duty of the court to indulge the presumption and decline jurisdiction of this case.

Conclusion.

Wherefore, it is respectfully urged upon the court that the decision of his Honor the District Judge is correct, that the Federal court is without jurisdiction of this action, and that the circuit court of appeals should be affirmed.

Respectfully submitted,

WILLIAM J. THOMAS,
BUIST & BUIST,
GEO. L. BUIST,
Counsel for Respondent, Charles S. Mitchell.

SUPREME COURT OF THE UNITED STATES.

No. 456.—October Term, 1927.

Federal Intermediate Credit Bank of Columbia, South Carolina, Petitioner,
vs.
Charles S. Mitchell, et al.

On Writ of Certiorari to the United States Circuit Court of Appeals for the Fourth Circuit.

[May 14, 1928.]

Mr. Justice Butler delivered the opinion of the Court.

Petitioner is a Federal Intermediate Credit Bank chartered under an Act of March 4, 1923, c. 252, 42 Stat. 1454. All its capital stock is owned by the United States. It sued in the federal court for the eastern district of South Carolina to recover more than $3,000.00 claimed on certain promissory notes. The bank is located at Columbia in that State. The defendants were citizens of the State and residents within the district. Jurisdiction was invoked on the ground that the suit is one where the matter in controversy arises under the laws of the United States. § 24(1), Judicial Code, U. S. C., Tit. 28, § 41. The district court held that it was without jurisdiction and dismissed the case. The Circuit Court of Appeals affirmed. 21 F. (2d) 51.

The judicial power of the United States extends to all cases arising under its Constitution and laws. Art. III. By § 2 of an Act of March 3, 1875, c. 137, 18 Stat. 470, which in substance was carried into the Judicial Code as § 24(1), the district courts were given jurisdiction of all suits where the matter in controversy exceeds a specified amount and arises under federal law. A suit by or against a corporation created under an Act of Congress is one arising under the laws of the United States. *Osborn* v. *United States Bank*, 9 Wheat. 738, 816. *American Bank & Trust Co.* v. *Federal Bank*, 256 U. S. 350. *Sowell* v. *Federal Reserve Bank*, 268 U. S. 449. State citizenship does not result from the mere creation of a corporation under federal law. *Bankers Trust Co.* v. *Texas &*

Pacific Ry., 241 U. S. 295, 309. Section 201(c) of the Act under which petitioner was organized provides that each such bank "for purposes of jurisdiction shall be deemed a citizen of the State where it is located." Section 12 of the Act of February 13, 1925, c. 229, 43 Stat. 936, 941, declares that no district court shall have jurisdiction of any suit by or against any corporation upon the ground that it was incorporated by or under an Act of Congress: "*Provided*, That this section shall not apply to any suit . . brought by or against a corporation incorporated by or under an Act of Congress wherein the Government of the United States is the owner of more than one-half of its capital stock." U. S. C., Tit. 28, § 42.

The lower courts, erroneously conceiving that § 201(c) is in respect of Federal Intermediate Credit Banks the equivalent of § 24(16) of the Judicial Code applying to national banking associations, held that the former operates to take suits by or against petitioner out of the general rule, and that the proviso in the Act of February 13, 1925, does not apply to it. That conclusion resulted from a misunderstanding of the decision in *Herrmann* v. *Edwards*, 238 U. S. 107. That was a suit brought in the United States court by a stockholder of a national bank against its directors to compel them to reimburse the bank for funds wrongfully diverted. It was a controversy arising under the laws of the United States within the meaning of § 24(1); and if that provision stood alone, the district court would have had jurisdiction. But § 4 of the Act of July 12, 1882, c. 290, 22 Stat. 162, 163, declared that jurisdiction of such suits, except those between a bank and the United States or its officers and agents, "shall be the same as, and not other than, the jurisdiction for suits by or against banks not organized under any law of the United States which do or might do banking business where such national banking associations may be doing business when such suits may be begun." Section 4 of the Act of March 3, 1887, c. 373, 24 Stat. 552, 554, (reenacted August 13, 1888, 25 Stat. 433, 436) provided that national banking associations should for the purposes of all actions by or against them "be deemed citizens of the States in which they are respectively located; and in such cases the circuit and district courts shall not have jurisdiction other than such as they would have in cases between individual citizens of the same State"; and it declared that the provisions of the section should not affect jurisdiction of federal courts

in cases commenced by the United States or by direction of an officer thereof or in cases for winding up such banks. Section 24(16) of the Judicial Code gives district courts original jurisdiction of all cases commenced by the United States or by direction of any officer thereof against any national banking association and of cases for winding up any such bank, and of all suits brought by any banking association to enjoin the Comptroller of the Currency or any receiver acting under his direction. And it provides that all such banking associations "shall for the purposes of all other actions by or against them . . . be deemed citizens of the States in which they are respectively located." This court held that, as to suits not within the specified exceptions, national banks were by the Acts of 1882 and 1887 put on the same basis in respect of jurisdiction as if they had not been organized under an Act of Congress, and that as to such suits federal incorporation was not a ground for jurisdiction. That conclusion rests upon the direct and affirmative expression of these Acts. And the decision makes it plain that while § 24(16) adopted a different form of expression, it was in substance a reenactment of the earlier provisions in respect of such jurisdiction. The provisions of the Judicial Code are to be construed as continuations of existing statutes, and no change of intent is to be implied unless clearly made manifest. § 294, Judicial Code. The Judicial Code did not restore jurisdiction that the Acts of 1882 and 1887 had taken away.

The state citizenship granted by § 201(c) governs the places where suit may be brought against such banks. § 51, Judicial Code, U. S. C.,Tit. 28, § 112. Cf. *Shaw* v. *Quincy Mining Company*, 145 U. S. 444. *In re Keasbey & Mattison Company*, 160 U. S. 221, 229. *Matter of Dunn*, 212 U. S. 374, 388. But it is in nowise inconsistent with the general rule that district courts have jurisdiction of suits brought by or against corporations organized under an Act of Congress on the ground that they are controversies arising under federal law. It is firmly established that, in the absence of enactments plainly expressing that purpose, Congress will not be held to have intended to restrict that jurisdiction. *Herrmann* v. *Edwards*, *supra*, 118. *Bankers Trust Co.* v. *Texas & Pacific Ry.*, *supra*, 303. That Congress is accustomed to use direct and unmistakable language to effect such important changes in the law is well illustrated by the Acts of 1882 and 1887; by § 5 of the Act of

January 28, 1915, c. 22, 38 Stat. 803, 804, providing that no court of the United States shall have jurisdiction of any suit by or against any railroad company upon the ground that such company was incorporated under an Act of Congress, and by § 12 of the Act of February 13, 1925. The Government owns all the capital stock of petitioner and suits by or against it are plainly within the reasons which prompted the enactment of the proviso in § 12. There is no warrant for an inference that by § 201(c) Congress intended to take suits by or against Federal Intermediate Credit Banks out of the general rule.

Judgment reversed.

A true copy.

Test:

Clerk, Supreme Court, U. S.